

**RESOLUTION NO. RS2019-1609** (VERCHER & O'CONNELL) – This resolution would approve an economic and community development incentive grant to the Industrial Development Board for the benefit of AllianceBernstein, L.P.

AllianceBernstein is a global investment-management and research firm currently headquartered in Manhattan with over 3,400 employees worldwide. It has announced its intention to establish its headquarters within Davidson County ("the Project").

Pursuant to Chapter 2.210 of the Metro Code of Laws, the Metropolitan Government is authorized to make incentive grants to "qualified projects" and "qualified companies" if the location of such qualified project or company is "expected to result in the creation of at least five hundred additional jobs" in Nashville during the first five years of operations or expansion.

The amount of any incentive grant is determined by multiplying the average number of "new full time equivalent employees" within the boundaries of the metropolitan government by an amount "up to" five hundred dollars. Pursuant to the Metro Code, the actual amount and duration of the grant should be determined by taking into account (1) the number of jobs created, (2) the amount of revenue anticipated to be received by Metro as a result of the location and operation of the company, and (3) other economic and community development opportunities the company is expected to create, among other considerations. (Section 2.210.020).

This resolution would approve a grant to AllianceBernstein in the amount of \$500 per year per qualifying job at their new office, which will be a leased facility within Davidson County. The term of the grant would be for seven years from the commencement of the project. AllianceBernstein has projected the creation of 1,050 jobs in Nashville, with 90-95% of those jobs above the median annual wage in Metro's MSA. (The annual median wage for Metro's MSA is \$47,110.) For the purposes of this grant, the qualifying jobs total would be the sum of individuals who have worked for AllianceBernstein, any of its successors, or any entities controlled by it (an "AB Entity") for at least 26 weeks during the grant year, working an average of 36 or more hours per week, and who are based at the Project. In addition, the qualifying jobs total would include individuals who have performed services for an AB Entity through employment outsourcing or similar arrangement for at least 26 weeks during the grant year, working an average of 36 or more hours per week performing services for an AB Entity, who are based at the Project, and who are paid in excess of the most recently published average wage for "All Occupations" in Metro's metropolitan statistical area (MSA) according to the U.S. Bureau of Labor Statistics. However, jobs performed for functions previously filled by an individual based at another AB Entity in Davidson County would not be included.

Pursuant to recent revisions to Section 2.210.030 of the Code, the Mayor's Office of Economic and Community Development must solicit from companies seeking grants a "project proposal" that addresses:

- (1) the type and number of jobs created, including whether those jobs will be temporary or permanent, and the number that will be filled by Davidson County residents;
- (2) a workforce plan disclosing whether the project will involve use of temporary or staffing agencies, the Nashville Career Advancement Center, or other third parties; whether individuals hired will be employed by the company or by subcontractors or others; and the wages and benefits offered, with a comparison of those wages to average wage levels in Davidson County;
- (3) whether the project will involve use of apprentices from programs certified by the U.S. Department of Labor; and
- (4) the number and type of violations assessed by OSHA or TOSHA, as well as any employment or wage-related legal actions filed against the company or any contractor or subcontractor.

This information is to be presented to Council prior to the Council's vote on any incentive. (Section 2.210.030.B). In this instance, responses to certain categories have not yet been provided, in part because AllianceBernstein is not constructing their headquarter facility but rather leasing tenant space. The project proposal does offer, however, to present the general contractor to the Council to answer questions.

Approval of this Resolution requires twenty-one affirmative votes, per Section 2.210.030.A of the Metro Code.

This Resolution was previously deferred one (1) meeting at the February 19, 2019 Council meeting.

*Fiscal Note: During the seven-year term, the potential annual grant amount would be \$525,000, based on \$500 for each of the 1,050 anticipated qualifying jobs. Assuming the projected jobs materialize for each grant year, the cumulative incentive amount would total \$3,675,000.*

*AllianceBernstein projects a level of capital investment of \$70,100,000 over the next five years, based upon estimates of the costs of office build-out, equipment and other expenses related to establishing their headquarters.*